

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

A Limited Liability Partnership

2 Including Professional Corporations

ORI KATZ, Cal. Bar No. 209561

3 J. BARRETT MARUM, Cal. Bar No. 228628

MICHAEL M. LAUTER, Cal. Bar No. 246048

4 MATT KLINGER, Cal. Bar No. 307362

Four Embarcadero Center, 17<sup>th</sup> Floor

5 San Francisco, California 94111-4109

Telephone: 415.434.9100

6 Facsimile: 415.434.3947

E mail okatz@sheppardmullin.com

7 bmarum@sheppardmullin.com

mlauter@sheppardmullin.com

8 mklinger@sheppardmullin.com

9 Proposed Attorneys for MedCision, LLC

11 UNITED STATES BANKRUPTCY COURT

12 NORTHERN DISTRICT OF CALIFORNIA

13 SAN FRANCISCO DIVISION

14 In re:

15 MedCision, LLC,  
16 *f/k/a BioCision, LLC,*

17 Debtor.

Case No. 17-31272

Chapter 11

**NOTICE OF HEARING ON DEBTOR'S  
MOTION FOR ORDER (1)  
AUTHORIZING POSTPETITION  
FINANCING PURSUANT TO 11 U.S.C.  
§§ 105, 361, 362, 363, 364(C)(1), 364(C)(2),  
364(C)(3) AND 364(D)(1); (2)  
AUTHORIZING THE USE OF CASH  
COLLATERAL; (3) GRANTING  
SECURITY INTERESTS AND  
SUPERPRIORITY CLAIMS;  
(4) PROVIDING ADEQUATE  
PROTECTION; (5) MODIFYING THE  
AUTOMATIC STAY; AND  
(6) GRANTING RELATED RELIEF**

24 Date: March 22, 2018

25 Time: 10:00 a.m.

26 Judge: Hon. Hannah L. Blumenstiel

27 Place: 450 Golden Gate Avenue  
16<sup>th</sup> Floor, Courtroom 19  
San Francisco, CA 94102

1       **PLEASE TAKE NOTICE THAT** a hearing (the “Hearing”) will be held at **10:00**  
2 **a.m. on March 22, 2018**, in the courtroom of Judge Hannah Blumenstiel, Courtroom 19,  
3 at the United States Bankruptcy Court, located at 450 Golden Gate Avenue, 16<sup>th</sup> Floor, San  
4 Francisco, CA 94012, for the Court to consider the *Motion for Order (1) Authorizing*  
5 *Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364(C)(1), 364(C)(2),*  
6 *364(C)(3) and 364(D)(2); (2) Authorizing the Use of Cash Collateral; (3) Granting*  
7 *Security Interests and Superpriority Claims; (4) Providing Adequate Protection; (5)*  
8 *Modifying the Automatic Stay; and (6) Granting Related Relief; Memorandum of Points*  
9 *and Authorities in Support Thereof* (the “Motion”) filed by MedCision, LLC f/k/a  
10 BioCision, LLC (the “Debtor”) in the above-captioned bankruptcy case on February 22,  
11 2018 as Docket No. 94.

12       By way of the Motion, the Debtor seeks entry of an order substantially in the form  
13 attached to the Motion as **Exhibit A** (the “DIP Order”), granting it authority to (i) obtain  
14 post-petition loans, credit, and other financial accommodations (the “DIP Loan”) from  
15 BroadOak Fund II, LLC and BroadOak Fund III, LLC (collectively, “BroadOak”),  
16 substantially in accordance with the terms of the Debtor-In-Possession Loan Agreement  
17 (“DIP Loan Agreement”)<sup>1</sup> attached to the Motion as **Exhibit B**, (ii) authorizing the Debtor  
18 to grant BroadOak superpriority administrative claim status pursuant to Bankruptcy Code  
19 section 364(c)(1) in respect of all DIP Obligations (as defined in the Motion), (iii)  
20 authorizing the Debtor to use the collateral, including cash collateral, that secures the  
21 Debtor’s obligations to BroadOak under the Prepetition Notes (as defined Motion), and  
22 granting adequate protection as set forth in the Motion; and (iv) modifying the automatic  
23 stay to the extent set forth in the Motion.

24  
25       <sup>1</sup> The Debtor and BroadOak have yet to reach agreement on a final form of the DIP  
26 Loan Agreement and the DIP Order. The Debtor will supplement the Motion with  
27 the final version of the DIP Loan Agreement and the final version of the DIP Order  
28 at least twenty-one (21) days before the hearing on the Motion to provide the Court,  
creditors and parties in interest sufficient time to review it prior to the hearing on  
the Motion.

The Terms of the DIP Loan are summarized as follows:

Term	Description	Location in Documents
Borrowing Limits/New Money	\$80,000	DIP Order, pg 2, sec. (iii) and ¶ 1
Interest Rate	3.25% per annum	DIP Loan Agreement ¶ 2.4
Maturity Date	April 15, 2018, or earlier from closing of sale of Debtor's assets	DIP Loan Agreement, pg. 1, "Maturity Date" definition
Use of Proceeds of Postpetition Loan and Cash Collateral	Disbursements pursuant to the Approved Budget (to be filed with the supplement), subject to a variance of no more than 10% on an aggregate, weekly basis, and payment of the Carve-Out	DIP Loan Agreement ¶ 5.8
Security, Priority, and Adequate Protection	Consensual Priming Liens Junior Liens Superpriority Administrative Claims Replacement Liens and Superpriority Administrative Claims to the extent of diminution in value of prepetition collateral.	DIP Order ¶ 4, 5, 6
Carve-Out	(1) Pre-default: allowed and unpaid fees and expenses of estate professionals in accordance with the Approved Budget, plus (2) \$50,000 Post-Default Carve-out Cap.	DIP Order ¶ 7
Events of Default	Various events, including: (i) failure to pay under the terms of the DIP Loan Agreement or default any covenant in such agreement, (ii) dismissal or conversion of the bankruptcy case, (iii) entry of an order (a) granting a lien pari passu or senior to that of BroadOak, (b) reversing of vacating the DIP Order, (c) granting relief from stay to a third party, and (d) commencement of a proceeding seeking to invalidate BroadOak's liens	DIP Loan Agreement ¶¶ 7.1(a)-(k)
Borrowing Conditions	Borrower unconditionally promises to pay to BroadOak the principal amount of the Loan, together with all accrued and unpaid interest thereon, on the Termination Date (as defined in the DIP Loan Agreement). The Loan may be prepaid in full or in part at any time without penalty.	DIP Loan Agreement ¶ 2.5

Term	Description	Location in Documents
	Amounts repaid may not be reborrowed.	

**PLEASE TAKE FURTHER NOTICE THAT** pursuant to Local Bankruptcy Rule 9014, any opposition to the relief requested in the Motion must be filed with the Clerk of the Court and be served on the Debtor's bankruptcy counsel no later than March 15, 2018.

**PLEASE TAKE FURTHER NOTICE THAT** the court may deem the failure of any party in interest to file a timely objection to the Application to constitute consent to the relief requested in the Application.

**PLEASE TAKE FURTHER NOTICE** that if you did not receive a copy of the Application or any related pleadings for any reason and would like to obtain one, please contact Matt Klinger at 415-774-2920, or by email at [mklinger@sheppardmullin.com](mailto:mklinger@sheppardmullin.com).

Dated: March 1, 2018

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By /s/ J. Barrett Marum

ORI KATZ

BARRETT MARUM

MICHAEL LAUTER

MATT KLINGER

Proposed Attorneys for MedCision, LLC